

Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 AGR-05 SP-02 AID-05 NSC-05

CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 COME-00

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TO SECSTATE WASHDC 9380

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E.O. L1652: N/A

TAGS: ETRD, EAGR

SUBJECT: COFFEE -- CONGRESSIONAL HEARINGS ON COFFEE
PRICE INCREASES

REF: STATE 44078

1. TABLE I, PROVIDED BY THE INTERNATIONAL COFFEE
ORGANIZATION, PROVIDES RETAIL PRICE DATA, IN LOCAL
CURRENCY AND IN U.S. DOLLARS, BY MONTH FROM JUNE 1975,
FOR FRANCE, GERMANY, THE UK AND THE US.

TABLE I
RETAIL PRICES OF COFFEE IN FOUR COUNTRIES
SINCE THE JULY 1975 FROST IN BRAZIL
(MONTHLY AVERAGE PRICES EXPRESSED IN BOTH NATIONAL
CURRENCY UNITS AND IN US CENTS PER POUND OF GREEN
COFFEE EQUIVALENT)

	FRANCE(1)		GERMANY(2)	
1975	FRANCS	US\$	DM	US\$
JUNE	6.08	1.52	6.27	2.68
JULY	6.08	1.44	6.27	2.54
AUGUST	6.08	1.39	6.27	2.43
SEPTEMBER	6.08	1.36	6.33	2.42
OCTOBER	7.13	1.62	6.46(5)	2.50(5)

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NOVEMBER 7.13 1.62 6.56(5) 2.54(5)

DECEMBER 7.52(6) 1.71(6)

	UK(3)	USA(4)	
1975	NEW PENCE	US\$	US\$
JUNE	45.7	1.04	1.07
JULY	44.7	0.98	1.07
AUGUST	45.2	0.96	1.08
SEPTEMBER	45.1	0.94	1.12
OCTOBER	45.4	0.93	1.20
NOVEMBER	52.0(6)	1.07	1.25
DECEMBER	53.0(6)	1.07	1.27

SOURCES: MONTHLY RETURNS FROM MEMBERS UNLESS OTHERWISE STATED. IMF (MONTHLY INTERNATIONAL FINANCIAL STATISTICS) FOR EXCHANGE RATES.

FOOTNOTES:

- (1) BEFORE CONVERSION TO GREEN BEAN EQUIVALENT, PRICES RELATED TO ROASTED COFFEE (50 PERCENT ARABICA AND 50 PERCENT ROBUSTA).
- (2) BEFORE CONVERSION TO GREEN BEAN EQUIVALENT, PRICES RELATED TO ROASTED COFFEE IN PACKAGES OF 250 GRAMMES.
- (3) BEFORE CONVERSION TO GREEN BEAN EQUIVALENT, PRICES RELATED TO AVERAGE CONSUMER EXPENDITURE PER POUND OF SOLUBLE COFFEE.
- (4) BEFORE CONVERSION TO GREEN BEAN EQUIVALENT, PRICES RELATED TO ROASTED COFFEE IN A VACUUM PACK OF ONE POUND (US BUREAU OF LABOUR STATISTICS).
- (5) A GOVERNMENT PUBLICATION, FIGURES COMPARABLE WITH THOSE REPORTED IN MONTHLY RETURN.
- (6) ESTIMATED FROM DATA IN A GOVERNMENT PUBLICATION.

2. IT SHOULD BE NOTED THAT DATA FOR THE UK ARE FOR AVERAGE CUSTOMER EXPENDITURE PER POUND OF SOLUBLE COFFEE (NOT GROUND COFFEE), WHICH ACCOUNTS FOR ROUGHLY 80 OF CONSUMPTION IN THE UK. MOREOVER, THE PRICE CONVERSION FROM NEW PENCE TO US DOLLARS GIVES LIMITED OFFICIAL USE

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A DISTORTED PICTURE OF THE UK SITUATION SINCE THE RISE IN COFFEE RETAIL PRICES WAS LARGELY OFFSET BY THE DETERIORATION OF THE POUND, WHICH, OF COURSE,

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WAS ONLY INFINITESIMALLY RELATED TO COFFEE PRICE INCREASES. IN NEW PENCE, PRICES INCREASED BY 16 PERCENT, FROM JUNE TO DECEMBER WHILE AS CONVERTED INTO US DOLLARS, THE INCREASE WAS ONLY ABOUT 3 PERCENT.

3. TABLE II BELOW PROVIDES DATA CONCERNING THE AVERAGE PRICE OF A ONE POUND CAN OF VACUUM PACKED GROUND COFFEE (LYONS) IN THE UNITED KINGDOM, IN MAY 1975 AS COMPARED WITH JANUARY 1976.

TABLE II

RETAIL PRICES OF GROUND COFFEE
IN THE UNITED KINGDOM

NEW PENCE	US\$	
MAY 8 - JUNE 7, 1976	0.76	1.75
JAN 3 - FEB 7, 197,	1.02	2.07
PERCENT INCREASE:	34.2	18.3

SOURCE: TRADE JOURNAL, WITH CURRENCY CONVERSIONS BY
US EMBASSY

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